******** N.C.L.A.S.S.I.F.I.E.D*******CDOV

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FM THE SITUATION ROOM TOHAK 103

TO LARRY EAGLEBURGER FOR SECRETARY KISSINGER

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DIL - NIGHTLEAD NIXON
BY RALPH HARRIS

WASHINGTON, JAN. 18, REUTER - THE NIXON ADMINISTRATION HAS BEGUN A NEW DRIVE TO PERSUADE SAUDI ARABIA AND OTHER ARAB DIL- PRODUCING COUNTRIES TO END THEIR EMBARGO AGAINST THE UNITED STATES IN THE WAKE OF THE ISRAELI-EGYPTIAN TROOP DISENGAGEMENT AGREEMENT, SENATE REPUBLICAN LEADER HUGH SCOTT DISCUSSED TOAY.

THE SENATOR SAID AFTER CONFERRING WITH PRESIDENT NIXON THAT AN "EARNEST" EFFORT WAS BEING MADE BY THE STATE DEPARTMENT BUT DID NOT SUPPLY FURTHER DETAILS.

THE BARE ANNOUNCEMENT OF THE NEW CONTACTS BETWEEN THE UNITED STATES AND THE DIL ARAB DIL PRODUCERS CAME AS NIXON TOLD REPORTERS. HE WOULD MAKE A BROADCAST SPEECH ABOUT NOON EDT TOMORROW TO BRING THE AMERICAN PEOPLE UP TO DATE ON THE ENERGY CRISIS, WHICH THE ARAB DIL BOYCOTT HAS WORSENED. THE WHITE HOUSE IMMEDIATELY MOVED TO SQUELCH SPECULATION ABOUT AN EARLY END TO THE BOYCOTT IMPOSED BY SAUDI

ARABIA AND ITS ARAB ALLIES BECAUSE OF U.S. SUPPORT FOR ISRAEL.
TAKING NOTE OF SCOTTS REMARKS, PRESIDENTIAL SPOKESMAN
GERALD WARREN SAID HE WANTED TO DISPEL WHAT APPEARED TO BE
SPECULATION THAT NIXON WOULD HAVE AN ANNOUNCEMENT ABOUT
ARAB OIL WHEN HE MADE HIS ADDRESS TOMORROW.

HE RETTERATED STATEMENTS BY SECRETARY OF STATE HENRY S

SCOTT SAID THAT IN HIS TALKS WITH NIXON, THE HOPE WAS HELD OUT THAT THERE COULD BE PROGRESS IN CONTACTS WITH THE ARAB COUNTRIES BUT WAS UNABLE TO PREDICT HOW SUCCESSFUL THERE WOULD

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KISSINGER HAS STATED IN THE PAST THAT THE DIL EMBARGO IS "INAPPROPRIATE" BECAUSE OF THE GOOD WILL AND EVEN-HANDED ATTITUDE SHOWN BY THE UNITED STATES IN ITS EFFORTS TO ENCOMPAGE A PEACE SETTLEMENT IN THE MIDDLE EAST.

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